GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:927
ANSWERED ON:19.07.2002
SPECIAL ECONOMIC ZONES
UMMAREDDY VENKATESWARLU

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of Special Economic Zones sanctioned and set up by the Government so far in the country, location-wise;

(b) the details of SEZs out of them which have started functioning or likely to start shortly;

(c) the fiscal and other incentives provided to these SEZs;

(d) the response of foreign companies in setting up their companies in these SEZs;

(e) whether the Government have fixed any schedule for starting operations of all the sanctioned SEZs in the country;

(f) if so, the details thereof;

(g) the reasons for delay in this regard; and

(h) the present status of the remaining SEZs?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b) : Three Export Processing Zones set up by the Central Government at Santa Cruz (Maharashtra), Cochin (Kerala) and Kandla (Gujarat) and a private sector EPZ located at Surat (Gujarat) have been converted into SEZs on 1.11.2000 which are functional. As per the policy, the Central Government is not to set up any new SEZs.In addition, approval has been given for setting up of 13 Special Economic Zones at Positra (Gujarat) by M/s Gujarat Positra Port Infrastructure Limited in the joint sector and by the Government of Maharashtra at Navi Mumbai (Maharashtra), Nanguneri (Tamil Nadu), Kulpi and Salt Lake (West Bengal), Paradeep and Gopalpur (Orissa), Bhadohi, Kanpur and Greater Noida (U.P.), Kakinada (Andhra Pradesh), Indore (Madhya Pradesh) and Hassan (Karnataka) on the basis of proposals received from them.

(c): Incentives offered under SEZ scheme include duty free importation/domestic procurement of goods for development of SEZ and setting up of unit, 100% foreign direct investment in manufacturing sector under automatic route, 100% income tax exemption for first 5 years and 50% tax for 2 years thereafter, subcontracting of part of production abroad, reimbursement/exemption of Central Sales Tax on domestic purchases by the SEZ units, retention of 100% foreign exchange earnings in Exchange Earners Foreign Currency Account and procedural simplification of operation like record keeping etc.

(d): Entrepreneurial response, including from foreign companies, in setting up units in the SEZs is encouraging.

(e) to (h): Since SEZs mentioned above have been approved for establishment in the joint sector/ by the State Government recently, it would not be possible to indicate time frame for commencement of operation by these SEZs.